

UK kick starts preparation for trade negotiations with India

Press release

14-week consultation launched to seek views from the public and businesses



Trade Secretary Liz Truss has today kicked off preparations for a trade deal with India, launching a 14-week consultation to seek the views of the public and business.

The UK wants a deal that slashes barriers to doing business and trading with India's £2 trillion economy and market of 1.4 billion consumers. This includes removing tariffs of up to 150% on whisky and 125% on British-made cars.

Wide input from consumers and businesses across all sectors will help the UK craft a deal that includes closer cooperation in future-focused industries such as science, technology and services, creating high-value jobs across the country. Formal negotiations are expected to begin later this year.

The UK also aims to make it easier for services firms to operate in the Indian market, boosting the UK's status as an international services hub. India's growing middle-income population and highly connected youth will be the target consumers for the type of goods and services the UK excels in.

International Trade Secretary Liz Truss said:

We're firing the starting gun on a free trade deal with India – the world's largest democracy, fifth biggest economy, a nation of 1.4 billion people and a huge market for British goods like whisky, cars and services.

We want an agreement that pushes new frontiers in industries of the future and helps us build a greener, more innovative and more services-led economy that will deliver higher-paying jobs across the country.

International Trade Minister, Ranil Jayawardena said:

India is one of the world's fastest-growing economies and we share much in common, so we're natural partners.

A trade deal will break down barriers, making it easier for British businesses to sell their wares in India – and secure more investment, better jobs, higher wages, more choice and lower prices here at home.

Before negotiations start, the UK and India must complete a pre-negotiation scoping phase – a period of engagement with businesses and the public. The public consultation, which runs to August 31, includes a questionnaire that will gather information from participants about their experiences and priorities when doing business with India.

The consultation follows the Enhanced Trade Partnership (ETP) agreed at the virtual meeting between the Prime Minister and PM Modi on May 4, where they launched a '2030 Roadmap' which will provide a framework for UK-India relations.

Background

- Trade between the UK and India was around £23bn in 2019, which both countries want to double by 2030.
- Nearly half a million jobs are supported across India and the UK through investments in each other's economies.
- The Enhanced Trade Partnership creates immediate opportunities for British businesses in India across industries such as food and drink and life sciences by improving market access. Non-tariff barriers on fruit and medical devices will be reduced, allowing businesses to export more of their products to India.
- DIT consults widely across a network of businesses, representative bodies and trade associations, working with partners as well as members of all the Department's Trade Advisory Groups, to seek the broadest possible range of views to inform our negotiating position ahead of launching trade talks.

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